

TRANSPORTATION REVENUE TRACKING REPORT

DEPARTMENT OF MOTOR VEHICLES

HIGHWAY MAINTENANCE & OPERATING AND TRANSPORTATION TRUST FUNDS

STATE TAXES AND FEES

(\$ Thousands)

Revenue Sources	FY 02 _1/ Forecast	February-02		Fiscal Year-To-Date				
		Revenue Collected	% Change Year Ago	Revenue Collected	Revenue Forecast	\$ Variance	% Change	
							Actual	Forecast
Motor Fuels Taxes _2/	\$783,293	\$65,080	29.5	\$472,540	462,223	\$10,316	(2.5)	(4.7)
Motor Vehicle Sales & Use Tax _3/	474,081	38,812	9.5	349,142	326,309	22,833	7.8	0.7
State Retail Sales Tax	407,100	26,949	0.9	263,071	273,323	(10,252)	(0.1)	3.8
Motor Vehicle Licenses	141,745	12,027	7.4	93,523	90,934	2,589	3.0	0.1
International Registration Plan	58,690	3,870	30.6	32,254	29,314	2,940	32.4	20.3
Priority Transportation Fund	27,500	2,000	20.0	12,000	17,625	(5,625)	N/A	N/A
Interest Earnings	3,452	0.20	10.8	8,456	2,301	6,155	41.7	(61.4)
Miscellaneous _4/	20,016	1,500	(1.0)	15,016	12,657	2,359	16.4	(1.9)
Total State Taxes and Fees	\$1,915,877	\$150,238	15.8	\$1,246,002	\$1,214,686	\$31,316	3.2	0.6

_1/ February 2002 Forecast.

_2/ Includes the road tax and applicable aviation taxes.

_3/ Includes applicable rental tax.

_4/ Miscellaneous fees in the Highway Maintenance and Operating Fund.

Note: Due to rounding columns may not add up exactly

Bottom Line

The official revenue forecast has been revised to incorporate the October 2001 alternative economic scenario and revenue collections through December 2001. This scenario includes a four-quarter recession as opposed to a two-quarter recession. Therefore, the revenue estimates have been lowered by \$60.26 million in fiscal year 2002. February revenue collections showed strong growth of 15.8%, led by motor fuels tax collections. This brings the year-to-date growth rate to 3.2% and the forecast variance to \$31.3 million, or 2.6%. The revised forecast expects revenue collections to finish the fiscal year \$17.9 million, or 0.9% below fiscal year 2001.

Motor Fuels Tax

Fuels tax revenue collections grew 29.5% over February 2001, when collections were down by 27.4%. This variation in revenue collections was caused by a January 2001 change in the tax due date from the fifth to the twentieth of the month, effectively granting tax payers 15 additional days to remit tax reports. Increased transfers to the Priority Transportation Fund (PTF) explain the 2.5% year-to-date decline in motor fuels tax revenue. At this time last fiscal year, transfers to the PTF totaled \$1.6 million, compared to the \$12.0 million in transfers made in fiscal year 2002. The current year-to-date forecast variance is \$10.3 million, or 2.2%.

Motor Vehicle Sales and Use Tax

Sales of new vehicles fell for the first time in four months, declining 1.0% in February. This is the expected decline in demand resulting from extremely high sales levels during the 0.0% financing offers. However, used vehicle sales are still

experiencing strong growth of 7.2%. Used vehicle sales made up 79% of taxable title transactions in February, up 1.3 percentage points from February 2001. Motor vehicle sales and use tax revenue collections remain the largest source of positive variance in this forecast after gaining 9.5% this month. This revenue source also includes revenue collections from rental tax, which were hit hard by the September 11th attacks. Rental tax collections are down 13.9% this fiscal year-to-date.

State Retail Sales Tax

The transportation portion of the state retail sales tax grew slightly over last February by 0.9%. Nationally, seasonally adjusted retail sales were higher than a year ago by 2.9%.

Motor Vehicle Licenses

Driven by strong growth in the number of two-year registrations, vehicle licensing fees grew by 7.4% during the month of February. Revenue collections from motor vehicle licenses comprise 7.4% of the revised forecast.

Miscellaneous Revenues

The revised forecast included a substantial reduction in the estimate for Liquidated Damages Weight Violation revenue. The effect of 2001 legislation on weight violations had been overestimated in the previous forecast. The miscellaneous category is comprised of twenty-three smaller revenue sources. The majority of the variance can be seen in the miscellaneous revenue source, which includes monies from vending machines and pay phones in rest areas as well as damage claims for guardrails.

HIGHWAY MAINTENANCE AND OPERATING FUND (HMOF)

(\$ in Thousands)

Revenue Sources	FY 02 _1/ Forecast	February-02		Fiscal Year-To-Date				
		Revenue Collected	% Change Year Ago	Revenue Collected	Revenue Forecast	\$ Variance	% Change Actual	% Change Forecast
Motor Fuels Taxes _2/	\$669,461	\$55,505	32.0	\$402,153	393,257	\$8,896	(3.0)	(5.1)
Motor Vehicle Sales and Use Tax	304,361	24,854	7.0	225,069	209,928	15,141	8.1	0.9
Motor Vehicle Licenses	123,456	10,431	6.0	81,406	79,292	2,114	3.0	0.3
International Registration Plan	58,690	3,870	30.6	32,254	29,314	2,940	32.4	20.3
Miscellaneous	20,016	1,500	(1.0)	15,016	12,657	2,359	16.4	(1.9)
Total State Taxes and Fees	\$1,175,984	\$96,159	20.8	\$755,899	\$724,449	\$31,450	2.3	(2.0)
Federal Grants and Contracts _3/	22,732	2,654	521.5	10,058	n/a	n/a	64.3	n/a
Transfer to TTF _4/	(28,711)	0	#N/A	0	n/a	n/a	100	n/a
Total HMOF	\$1,170,005	\$98,813	23.5	\$765,957	n/a	n/a	7.9	n/a

_1/ February 2002 Forecast.

_2/ Includes the road tax.

_3/ Revenues reflect prior period activity and are not a reliable measure of revenue or fiscal capacity of the State's program.

_4/ Current law provides for balances to be transferred to the Transportation Trust Fund (TTF).

Note: Due to rounding columns may not add up exactly.

TRANSPORTATION TRUST FUND

(\$ in Thousands)

Revenue Sources	FY 02 _1/ Forecast	February-02		Fiscal Year-To-Date				
		Revenue Collected	% Change Year Ago	Revenue Collected	Revenue Forecast	\$ Variance	% Change Actual	% Change Forecast
Motor Fuels Taxes _2/	\$113,832	\$9,575	16.5	\$70,386	\$68,966	\$1,420	0.1	(1.9)
Motor Vehicle Sales and Use Tax _3/	169,720	13,958	14.2	\$124,073	116,380	7,692	7.1	0.5
Priority Transportation Fund	27,500	2,000	20.0	\$12,000	17,625	(5,625)	N/A	N/A
State Retail Sales Tax	407,100	26,949	0.9	\$263,071	273,323	(10,252)	(0.1)	3.8
Motor Vehicle Licenses	18,289	1,596	17.1	\$12,117	11,642	474	3.1	(0.9)
Interest Earnings	\$3,452	0.20	10.8	\$8,456	2,301	6,155	41.7	(61.4)
Total State Taxes and Fees	\$739,893	\$54,079	7.8	\$490,103	\$490,238	(\$134)	4.5	4.6
Federal Grants and Contracts _4/	952,355	62,481	127.0	673,652	n/a	n/a	80.9	n/a
Local Contributions _5/	36,102	1,241	(25.6)	25,367	n/a	n/a	64.9	n/a
Toll and Other Revenues _6/	64,621	5,130	-13.0	54,272	n/a	n/a	(0.6)	n/a
Transfers from HMOF	28,711	0	#N/A	0	n/a	n/a	(13.5)	n/a
Total TTF	\$1,821,682	\$122,931	44.2	\$1,243,394	n/a	n/a	31.3	n/a

TOTAL TRANSPORTATION FUNDS

Total HMOF & TTF Revenues	\$2,991,687	\$221,744	34.2	\$2,009,351	n/a	n/a	21.3	n/a
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_1/ February 2002 Forecast.

_2/ Includes road and aviation fuel taxes.

_3/ Includes applicable rental tax.

_4/ Revenues reflect prior period activity and are not a reliable measure of revenue or the fiscal capacity of the State's program.

_5/ Local government contributions are received on a cost-share basis as provided by law.

**Key Revenue Indicator Tracking Report
February-02**

Key Indicator	FY 2001 Total	FY 2002 Forecast ¹	Month		%	Year-to-Date		% Annual Growth	
			FY 2002	FY 2001		FY 2002	FY 2001	% Change	Required By Forecast
Net Taxable Gallons (000's)	4,746,431	4,868,280							2.6
Dec-01			374,506	361,811	3.5	2,419,210	2,338,023	3.5	
Total Taxable Vehicle Sales (000's)	16,052,879	\$15,135,743	\$1,213,861	\$1,170,075	3.7	\$11,144,911	\$10,444,635	6.7	(5.7)
New Taxable Vehicle Sales (000's)	8,984,267	8,251,488	637,698	622,304	2.5	6,286,275	5,897,985	6.6	(8.2)
Used Taxable Vehicle Sales (000's)	7,068,613	6,884,255	576,163	547,771	5.2	4,858,636	4,546,650	6.9	(2.6)
Total Taxable Titles	1,564,701	1,477,360	129,113	122,560	5.3	1,050,399	1,003,316	4.7	(5.6)
New Taxable Titles	397,904	360,060	26,895	27,163	(1.0)	273,310	258,153	5.9	(9.5)
Used Taxable Titles	1,166,797	1,117,300	102,218	95,397	7.2	777,089	745,163	4.3	(4.2)
Average Price All Motor Vehicles	\$10,253	\$10,365	\$9,402	\$9,547	(1.5)	\$10,774	\$10,395	3.7	1.1
Average Price New Vehicles	22,579	22,917	23,711	22,910	3.5	23,001	22,847	0.7	1.5
Average Price Used Vehicles	6,058	6,162	5,637	5,742	(1.8)	6,252	6,102	2.5	1.7
Total Vehicle Registrations	5,877,617	5,736,720	457,641	450,083	1.7	3,707,258	3,663,149	1.2	(2.4)
One-Year Registrations	5,016,212	4,912,840	386,413	385,110	0.3	3,138,637	3,135,776	0.1	(2.1)
Two-Year Registrations	861,405	823,880	71,228	64,973	9.6	568,621	527,373	7.8	(4.4)

**Twelve Month Rolling Average¹
February-02**

Revenue Source ²	From 3-01 to 2-02	From 3-00 to 2-01	Percent Difference
	(\$Thousands)		
<u>Motor Fuels Tax</u>	\$67,469	\$66,070	2.12%
Motor Fuels Tax ³	\$66,428	\$64,896	2.36%
Aviation	\$54	\$241	-77.55%
Road Tax	\$987	\$933	5.83%
<u>Vehicle Sales Tax</u>	\$43,964	\$42,389	3.72%
Vehicle Sales Tax	\$43,454	\$41,828	3.89%
Rental Tax	\$511	\$561	-8.93%
Retail Sales Tax	\$32,274	\$32,150	0.39%
Motor Vehicle License	\$12,485	\$12,109	3.10%
IRP	\$4,916	\$4,215	16.63%

¹February 2002 Forecast

² Of Selected Revenue Sources

³ Includes HMOF and TTF

⁴ Includes Clean Special Fuels Tax Revenues and Priority Transportation Fund Revenues